

PERSPECTIVE OF INVESTORS ON THEIR INVOLVMENT IN LIFE INSURANCE INVESTMENTS

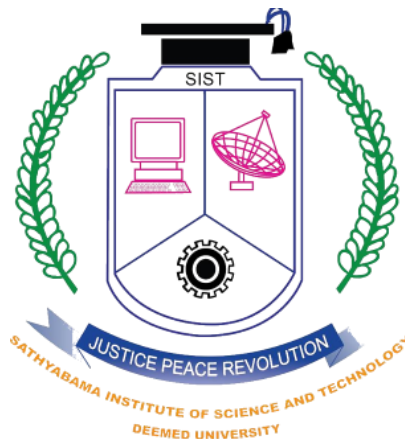
Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

SOUNDHER R

REGISTER NO: 42410198



DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A++” by NAAC 12B Status by UGC |
CATEGORY-1 UNIVERSITY BY UGC| Approved by AICTE
JEPPIAR NAGAR, RAJIV GANDHI SALAI, CHENNAI-600119

DECEMBER 2023



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**INSTITUTE OF SCIENCE AND TECHNOLOGY
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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bona fide work of **SOUNDHER R 42410198** who carried out the Project Training “**PERSPECTIVE OF INVESTORS ON THEIR INVOLVMENT IN LIFE INSURANCE INVESTMENTS**” under my supervision from September 2023 to November 2023.

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Submitted for Viva voce Examination held on _____

Internal Examiner

External Examiner

DECLARATION

I **SOUNDHER R (42410198)** hereby declare that the Project Report entitled **“PERSPECTIVE OF INVESTORS ON THEIR INVOLVMENT IN LIFE INSURANCE INVESTMENTS”** done by me under the guidance of Ms.SHANTHINI is submitted in partial fulfilment of the requirements for the award of Master of Business Administration.

DATE:

PLACE:

SIGNATURE OF THE CANDIDATE

SOUNDHER R

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SOUNDHER R

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ABSTRACT

The primary objective of this study is to discern the investment perceptions and attitudes of investors towards life insurance. The insights gathered will facilitate the formulation of effective marketing strategies for the company. By understanding investor preferences and identifying weaker areas, the study will guide the development of new products and plans. Additionally, it aims to assess the brand image of various companies, providing valuable insights into competitors' positions in the public perception. Notably, a significant proportion of individuals who are actively investing in insurance, driven by the dual motives of seeking secure investments and maximizing returns.

CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

“Finance is the blood of business”. Hence the financial requirement of a company is a vital factor to be faced by all companies. Every company should know the strength of its operations.

Finance is the major source for investment of funds in the business of production, process of service so as to maximize the wealth business position of any business entity. Finance is the life blood of economic activity. An efficient financial system calls for the effective performances of financial institutions, financial instruments and financial markets.

1.2 MEANING OF INSURANCE

Insurance is legal agreement between two parties – the insurer and the insured, also known as Insurance Coverage or Insurance Policy. The insurer provides financial coverage for the losses of the insured that he/she may bear under certain circumstances.

1.3 MEANING OF LIFE INSURANCE

Life Insurance is a contract between an Insurance policyholder and an Insurance Company, where the insurer promises to pay a sum of money in exchange for a premium, upon the death of an insured person or after a set period

1.4 TYPES OF INSURANCE

1. General Insurance

- a. Health Care Coverage
- b. Automobile Insurance

- c. Homeowners Insurance
- d. Insurance against fire
- e. Insurance for Travel

2. Life Insurance

- a. Term Life Insurance
- b. Unit – Linked Insurance Plans
- c. Whole Life Insurance
- d. Endowment Plans
- e. Child Plans for Education
- f. Retirement Plans

1.5 OBJECTIVES OF THE STUDY:

- To find the investor's behavior in Life Insurance
- To understand investors preferences
- To examine the long-term investment goals of investors
- To identify barriers of entry

1.6 HISTORY OF INSUARANCE INDUSTRY IN INDIA:

Insurance in India has a rich historical foundation deeply rooted in ancient texts like Manusmrithi, Dharmasastra, and Arthasastra. These writings conceptualized the pooling of resources to aid in times of calamities, laying the groundwork for what we recognize today as a form of risk mitigation. This ancient understanding of insurance can be traced back to marine trade loans and carriers' contracts, indicating an early form of risk-sharing in the context of commercial activities.

The trajectory of the insurance industry in India underwent a comprehensive evolution over the past century, undergoing a complete circle from an open competitive market to nationalization and eventually returning to a liberalized structure.

The nineteenth century saw the emergence of a fully private system with no restrictions on foreign participation. However, this era was characterized by the dominance of a handful of British insurance companies, primarily serving the European population in India.

The inception of life insurance in India was marked by companies like the Oriental Life Insurance Company (1818) and Bombay Assurance Company (1823). Notably, these companies catered more to the needs of the European community, imposing extra premiums on Indian lives. It wasn't until 1870 that Bombay Mutual Life Assurance Society broke this trend by offering insurance coverage for Indian lives at standard rates, marking a pivotal moment in the industry.

The early twentieth century witnessed substantial growth in the number of insurance companies, reaching 176 by 1938. The Insurance Act of 1938 was a landmark legislation that brought life and non-life insurance under strict state control. Calls for nationalization gained momentum, eventually leading to the creation of the Life Insurance Corporation of India (LIC) in 1956. The general insurance business followed suit in 1972.

The later part of the century saw the industry facing challenges such as fraud, prompting the implementation of regulations to control and mitigate these issues. Nationalization became a strategic move, temporarily transforming the insurance sector into a state-owned monopoly. However, in 1999, the liberalization wave allowed private insurance companies to re-enter the market, albeit with a capped foreign holding.

LIC, as a key player, adapted to these changes by leveraging technology for services like online premium collection. The company's extensive network, comprising zonal offices, divisional offices, satellite offices, and digitalized records, aimed at enhancing customer convenience and accessibility. Despite the liberalized landscape, LIC

continues to be a dominant force, breaking records by issuing over one crore policies in recent years.

In essence, the insurance industry in India has not only weathered various transitions but has also embraced them to meet the evolving needs of the populace. LIC, inspired by the principles that guided its formation, remains steadfast in its mission to bring financial security to households across the nation.

CHAPTER – 2

REVIEW OF LITERATURE

1. **Baal N. and Sandhog H. S. (August 2011)** : Life Insurance Corporation of India (LIC), a capital-intensive company that offers clients the most fundamental financial instruments aimed at long-term savings and safety, was the topic of a study by Baal N. and Sandhog H. S. in August 2011. The current study by looks at the factors influencing the way agents view the Life Insurance Corporation of India. To attempt to confirm the major results and demonstrate that there are no significant differences in respondents' concerns about the Life Insurance Corporation of India across different groups, a one-way arrangement analysis was carried out as well.
2. **Baal N. and Sandhog H.S. et al (August 2011)**: According to Baal N. and Sandhog H. S. et al. (August 2011), the service sector is experiencing a numerous, deliberate, and user-friendly approach, disregarding the apathy that has become synonymous with the sector due to the availability of so many players in the market and the persistent competitive activism. The study's conclusions show that the perception scores merge into three components of service quality, not the gap scores, which combine into five dimensions.
3. **Meera C. and Eswari M. (November 2011)**: (According to Meera C. and Eswari M. (November 2011), services have grown increasingly significant in today's competitive economy. In order to provide optimal reciprocal and user-friendly services, greater attention is being provided to all bank consumer touch points. The study's objective is to lower consumers' satisfaction regarding cross-selling insurance coverage and other services delivered by banks in the private sector in general.
4. **Singh H. and Loll M. (December 2011)**: According to Singh H. and Loll M. (December 2011), one of India's fastest-growing emerging markets is life insurance. Diffusion from insurance in rural domains: Insurance industry is seen as an important contributor to social and economic growth. The objective of the present research is to assess insurers' possible in the rural market and suggest novel techniques to attract the chronically underinsured rural populations.

5. **Friar F. and Khanbashi M. et al (December 2011):** According to Friar F. and Khanbashi M. et al.'s study in December 2011, chatting establish a charismatic database and feedback procedure between the business and consumers is one of the most intentional things done to lure them and gratify their wants and needs. The purpose of this study is to figure out how employees' and users' expectations of excellent service differ in Iran's insurance market. Based the findings of the questionnaires, there is a clear difference regarding what employees and customers anticipate from the tangibles a part compared to the other dimensions, and wherein both groups predict similarly.
6. **Sharma M. and Vijay T. S. et al (January 2012):** The intention of this study, completed in January 2012 by Sharma M. and Vijay T. S. et al., is to determine the effect of socioeconomic factors on their level that one is pleased with investors' anti-insurance policies. This effect of demographic characteristics on investors' pleasure with insurance plans has been investigated in this study. Furthermore, this study assesses the substantial relationship between demographic data and clients' general satisfaction with the insurance policies.
7. **Gautam V and Kumar M (March 2012):** According to Gautam V and Kumar M (March 2012), the current study is an attempt to categorise the attitudes of Indian consumers towards insurance services. The research started by obtaining consumer antiphon using a standardised survey on a five-point Liker scale. The findings of this study may be useful for insurance companies in the Indian market to establish marketing strategies based on socioeconomic and demographic criteria.
8. **Ansari Z. A. (March 2012):** Ansari Z. A. (March 2012) investigates individuals' attitudes with regard to various types of risks and the scope they choose in Saudi Arabia in the current study. The study will also look examine how the usage of insurance, particularly binding insurance, has altered people's perceptions of hazards and their future behavior. regarding purchasing more insurance plans as well as the features that policyholders want be included in their insurance contract. The study's foundation is primary data that was haphazardly collected by current holders of obligatory insurance policies, such as life, health, and auto insurance.
9. **Srivastava A. and Tripathi S. et al (April 2012):** A study on the insurance industry's contributions to the financial part of an economy and its role in

upholding the fundamental social covenant in emerging nations was published by Srivastava A. and Tripathi S. et al. in April 2012. Therefore, the analysis of the Indian life insurance market and its evolving trends came to the conclusion that, despite the industry's fast elongation, not nearly 50% of the country's insured population has yet to be protected by insurance. In order to attain this goal, this industry needs to further increase the insurance density even more.

10. **Bodla B. S. and Chaudhary K. (May 2012):** Bodla B. S. and Chaudhary K. (May 2012) conducted a study in which they sought to ascertain the rate of quality of service that was expected and anticipated, as well as any gaps in the quality of service model developed by Suresh Chandar et al. (2001) in ICICI Prudential Life Insurance Company, one of the best private sector companies. Even while the private economy as a whole initially established an important portion of market share, most private sector businesses today are aiming for standard growth in both market share and business, and the organization that was selected represents one of such.
11. **Das S. K. (June 2012):** Das S. K. (June 2012), an insurance research has been acknowledged as an essential element of a nation's financial stability and an indicator of advancement and as an integral aspect of the financial services sector. Insurance providers offer consumers financial protection, provide wise investment recommendations, and act as a catalyst for both one's own and governmental financial stability. It has been discovered that the most common issues facing Indian life insurance companies include excessive operational expenses, effort break-even, unification of requirements for accounting, etc.
12. **L. Sreenivas D. and B. Anand M. (December 2012):** In December 2012, L. Sreenivas D. and B. Anand M. observed that, in the Indian Lexicon, public engagement in insurance during the independence decade was sporadic. However, it became a significant catalyst for the Indian insurance industry after economic reforms, owing to stiff competition from both national and international private insurance players. The study aimed to gauge investor perceptions of public and private life insurance companies in India, with a specific focus on Karnataka.

13. **V. Ravi and Gulati K et al (2012):** According to V. Ravi and Gulati K et al (2012), the financial challenges confronted by the Indian insurance sector were considerable. One of the major issues faced by insurance companies was customer satisfaction and loyalty. The study unveiled noteworthy insights into customers' expectations and perceptions of insurance services, highlighting dissatisfaction among insurance company customers.
14. **Babu P. R. (February 2013):** Babu P. R. (February 2013) noted in his study that private sector life insurance companies have rapidly expanded since the year 2000, significantly increasing their market share and growth. The Indian life insurance system, rooted in a mixed economic framework, saw private players play a crucial role, proving to be more dynamic and customer-friendly than their public sector counterparts.
15. **Bihani P. and Bhowal A. (April 2013):** Bihani P. and Bhowal A. (April 2013) suggested that the life insurance industry is in a phase of growth, experiencing cyclical advancements in terms of products and services. An intriguing finding of the study was that the perceived severity of customer satisfaction experienced surpassed the expected level of customer satisfaction.
16. **Purusothaman U. R. (July 2013):** In July 2013, Purusothaman U. R. emphasized that India's cultural diversity, large population, and geographical accessibility have made it an attractive and viable partner for global industries. The study revealed that while India ranked fifth on the overall index, indicating economic development and a thriving real estate market, it scored lower on the regulatory index.
17. **Padhi B. (August 2013):** Padhi B. (August 2013) conducted a study on the Indian insurance market, which was nationalized in 1956 with the establishment of LIC of India. LIC of India held a monopoly on the Indian insurance market for over four decades. The study aimed to assess the performance of specific private insurance companies in areas such as the number of policies issued, premium collection, and annual growth from 2001 to 2012.

18. **Rajan J. and Gomatheeswaran M. (August 2013):** Rajan J. and Gomatheeswaran M. (August 2013) asserted that a robust and comprehensive banking system is essential for a healthy economy. Recent trends in the banking sector prompted a comparative study on public and private sector banks, focusing on the level of customer satisfaction with bancassurance services.
19. **Gaikwad A. S. and Vibhute S.G. (August 2013):** Gaikwad A. S. and Vibhute S.G. conducted a study on the Indian insurance industry in August 2013, highlighting its unsettled state. The study aims to provide valuable insights to insurance companies by gauging customer opinions on the industry, specifically focusing on traditional and ULIP plans. It also seeks to help companies and advisors understand the actual demand of customers, the limits of customer satisfaction, factors influencing policy choices, and opinions on advisor recommendations. These insights can then inform the development of sales programs, sales pitches, local strategies, and more.
20. **Kathirvel N. and Radhamani S. (September 2013):** In September 2013, Kathirvel N. and Radhamani S. emphasized the essential role of the insurance industry in the Indian financial market. The study aimed to calculate various parameters from the perspective of policyholders, providing assistance to insurance companies in better serving their policyholders.
21. **Mahajan K. (November 2013):** Mahajan K. explored India after liberalization in November 2013, noting the evolving culture of investment in financial products. The study highlighted the opportunities for insurance firms to capture this trend by implementing cautious marketing plans. These plans would not only help the companies achieve their objectives but also assist Indian customers in transitioning from unfamiliar to known product zones.
22. **Damtew K. and Pagidimarri V. (December 2013):** Damtew K. and Pagidimarri V. (December 2013) underscored the significance of diverse policyholders for insurers in today's competitive business environment. The study aimed to analyze the role of trust in building customer loyalty in the insurance sector.

Through a non-experimental approach and systematic questionnaires, the researchers sought to understand policyholders' perceptions and describe the outcomes.

- 23. Ali L. and Chatley P. (2013):** Ali L. and Chatley P. (2013) observed the rapid growth of Bancassurance as a sales channel in the Indian insurance scene. They suggested that the future of Bancassurance in India could be promising if companies effectively channelize their efforts, focusing on corporate image, operational scale, customer satisfaction, and proficiency in the sales process.
- 24. Prakash N. and Sugumaran G. (January 2014):** Prakash N. and Sugumaran G. (January 2014) highlighted the vast untapped population in India that remains outside the reach of the life insurance market. They noted the favorable circumstances for both Indian and foreign nationals to invest in this market, particularly in addressing the needs and wants of customers in the private sector.
- 25. Choudhari P. S.(January 2014):** In January 2014, Choudhari P. S. conducted a study that highlights the impact of information technology on customer awareness. In today's age, customers are not only well-informed about their needs, expectations, and information-technology-enabled services but also maintain regular communication with various service providers for their interests and diverse service needs. The researcher aimed to investigate whether a significant service quality gap exists between insurers' perception of customer service expectations and customers' expectations regarding the quality of services provided by LIC of India in Burdwan district.
- 26. Thirupathi T. (January 2014):** Thirupathi T. (January 2014) focused on the significance of the Life Insurance Corporation of India (LIC), the largest insurance group and investment company in the country. The study revealed that policyholders prefer private insurance sectors due to the banking facilities and value-added services they offer. The findings emphasized the potential benefits for both the general public and LIC if banking facilities were extended to policyholders and the public, aligning with the expectations of policyholders.

27. **Mehta D. and Tripathi A. (February 2014):** Mehta D. and Tripathi A. (February 2014) stated in their study that the insurance sector in India is experiencing rapid growth, marked by intense competition with the entry of new private players. To survive in this competitive market, companies must prioritize customer satisfaction to attract, retain, and cultivate relationships with potential clients.
28. **Ahmed A. and Kwatra N. (March 2014):** Ahmed A. and Kwatra N. (March 2014) aimed to evaluate the quality of insurance services in India based on customer satisfaction and explore ways to increase the demand for insurance, which is currently low in the country. The study found that the total number of death claims settled by an insurance company is a crucial factor in customers' assessment of the quality of policies. The study recommended addressing issues such as delays or non-payment of premiums and encouraged organizations to understand the reasons behind payment difficulties.
29. **Janjua P. Z. and Akmal M. (March 2014):** Janjua P. Z. and Akmal M. (March 2014) examined customer satisfaction with common and Islamic insurance companies in the international market, particularly after the 2008 world economic crisis. The findings suggested significant improvements in service quality for both common and Islamic insurance industries. Common insurance companies were advised to focus on young people, private employees, and lower-income groups, while Islamic insurance companies were encouraged to enhance Shariah compliance and attract self-employed and higher-income groups.
30. **Bapat H. B. and Soni V. et al (April 2014):** Bapat H. B. and Soni V. et al (April 2014) emphasized the longstanding need for insurance in commerce and trading, acknowledging the inherent uncertainties in life and business. The study evaluated the current product offerings using the Seroquel scope, providing insights for administrators to identify gaps in achieving the expected quality of products.

- 31. Bhowal A. and Pankaj B. Bhowal A. (April 2014):** and Pankaj B. conducted a study in April 2014, highlighting the dynamic phase of the life insurance industry with continuous developments in products and services. Utilizing empirical research methods, particularly employing a scaling technique, the study found that the statistical difference between the customer expectations derived from insurance and the actual customer experiences was not significant.
- 32. Choudhari P. S. (April 2014):** Choudhari P. S. (April 2014) emphasized the changing socio-economic culture of customers due to the various elements of globalization. Human interactions are increasingly influenced by the interplay of humans and technology, particularly in the service sector where information technology plays a crucial role in delivering quality services to customers. The study focused on the impact of information technology on the anticipated service quality and the link to customer satisfaction in life insurance services.
- 33. Ch. S. (May 2014):** Ch. S. (May 2014) reflected on the significant role of bancassurance, noting that over 40% of insurance companies' business is conducted through this channel. The study revealed that insurance companies can harness the benefits of bancassurance by leveraging bank databases and branch networks. However, the study highlighted the exclusion of 70 percent of the Indian population, especially in rural areas, from insurance coverage.
- 34. Barik B. and Patra R. (June 2014):** Barik B. and Patra R. (June 2014) stated in their study that the Indian life insurance sector is experiencing rapid growth. The study emphasized the need for special care in the life insurance business, integrating both theory and practice to provide the best services to policyholders. The researchers intended to offer suggestions and recommendations to assist both academia and industry professionals in rethinking their approaches in the insurance sector.

- 35. Chand M. (June 2014):** Chand M. (June 2014) explored the significant transformation of the life insurance industry in India, particularly the entry of private and global players. The study aimed to reveal the impact of private insurance players in various areas, including the number of policies issued, premium collections, agent or broker commission expenses, and operating expenses from 2001 to 2012.
- 36. Prasad K. and Sravanthi V. (October 2014):** Prasad K. and Sravanthi V. (October 2014) acknowledged the insurance industry as an expand-acclimatized sector. In India, the industry began showing promise after the liberalization and privatization of the sector. The study, conducted in accordance with the growth story of India, has played a significant role in determining the level of growth in the insurance sector over the past few years.
- 37. Dash B. and Mohanty B et al (November 2014):** Dash B. and Mohanty B et al (November 2014) conducted a research study focusing on the impact of customer relationship management practices on the insurance sector in the Odisha market. The study collected customer beliefs through a structured questionnaire to assess the effectiveness of CRM implementation, particularly in collaboration with companies such as Aviva, LIC of India, ICICI Prudential, Birla Sun Life, and Reliance.
- 38. Satya K. K.V. R. and Radha B. et al (December 2014):** Satya K. K.V. R. and Radha B. et al (December 2014) aimed to investigate the diffusion and expansion of the insurance industry. While the sector experienced consistent growth after liberalization, the study observed a contraction in business sales or earnings over the last four years. In 2005, the private sector expanded its presence significantly, and LIC opened numerous offices in 2009.

- 39. Jothi A. L. (December 2014):** Jothi A. L. (December 2014) explored the competitive environment that emerged after the privatization of the Indian insurance industry. Companies began offering a diverse product mix to attract customers and meet their needs, aiming to ensure satisfaction through positive customer perceptions. The research study sought to examine whether demographic characteristics influenced customers' perceptions of the quality of services provided by life insurance players.

CHAPTER – 3

RESEARCH METHODOLOGY

Methodology is a systematic way of solving a problem. It includes the research methods for solving the problem.

Type of research

Descriptive cum Exploratory research

Data source

Primary and Secondary data

Data collection tools

Questionnaires

Sampling universe

CHENNAI City

Sample size

200

3.2 SAMPLE DESIGN

The target population of the study consists of various respondents of Chennai city. This survey will be done by collecting the data from the respondents.

3.3 SAMPLE SIZE

After due consultation with the company supervisor as well as with the college guide, also keeping in mind the requirements of the company for the research, the sample size that was found to be appropriate for the study will be 200.

3.4 OBJECTIVES OF THE STUDY:

- To find the investor's behavior in Life Insurance
- To understand investors preferences
- To examine the long-term investment goals of investors

- To identify barriers of entry

3.5 SAMPLING TECHNIQUE

The sampling technique that adapted to conduct the survey was 'Convenience Sampling' and the area of the research was concentrated in the city of Mumbai. The survey was conducted by visiting different places like colleges, corporate offices, respondent's home etc.

3.6 DATA SOURCE

The task of data collection begins after a research problem has been defined. In this study data will be collected through both primary and secondary data source.

- **PRIMARY DATA**

A primary data is a data, which is collected for gathering information first time and to analyze the problem. In this study the primary data was collected among the consumers using questionnaire.

- **SECONDARY DATA**

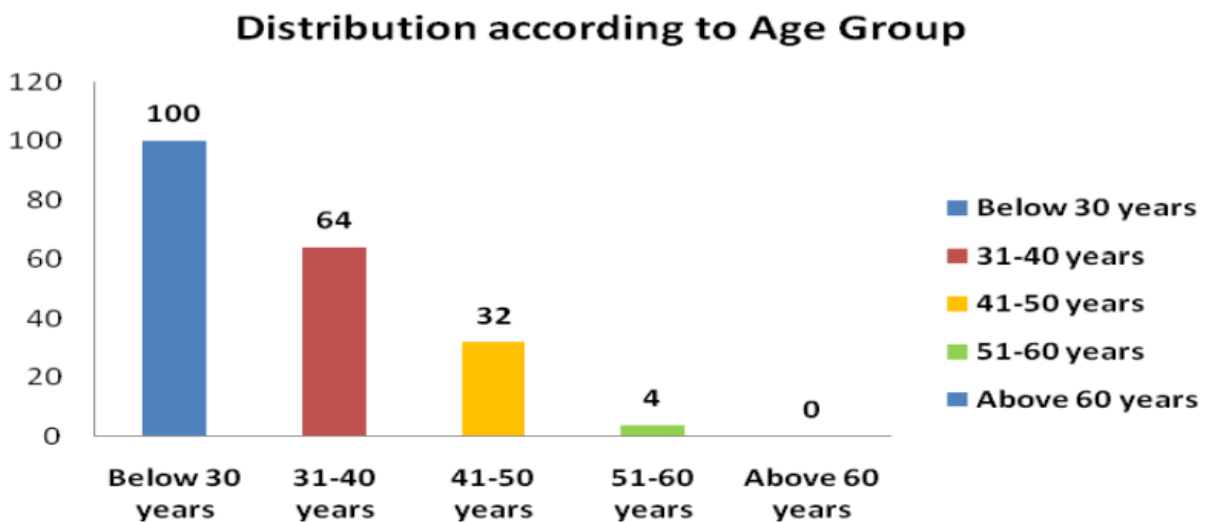
Secondary data consist of information that already exists somewhere, having been collected for some other purpose. In this study secondary data was collected from company websites, magazines and brochures.

CHAPTER – 4

4.1 DATA ANALYSIS AND INTERPRETATION

1) Age Group

Total	Below 30 years	31 - 40	41 - 50	51 - 60	Above 60 years
200	100	64	32	4	0
Percentage	50	32	16	2	0

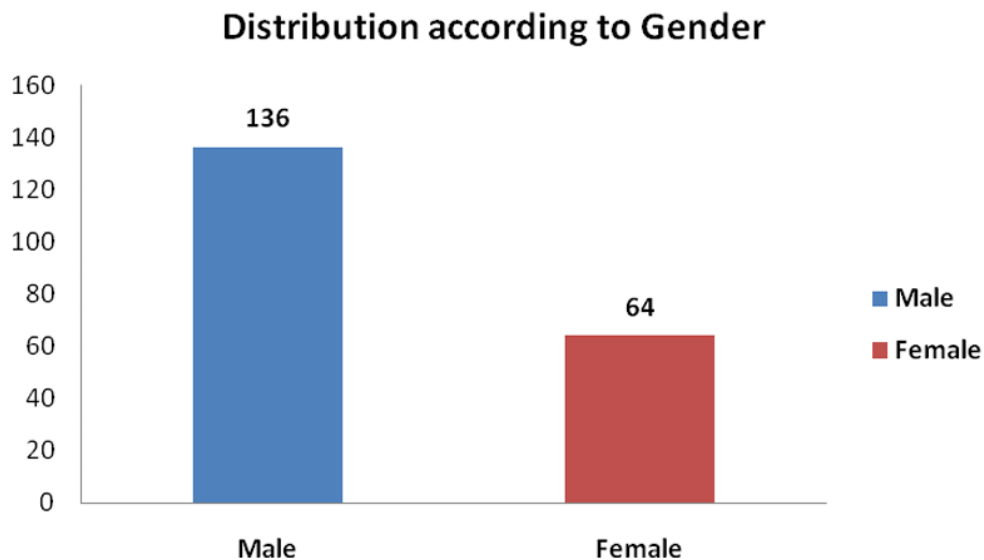


Interpretation

According to the graph given above out of 200 respondents 50 % are below 30 years of age, 32% are between age group of 31-40 years, 16% are between the age group of 41-50 years, 2 % are between the age group of 51-60 years and none above 60 years, which describes that LIC policies have got maximum faith among the youths.

2) Gender

Total	Male	Female
200	136	64
Percentage	68	32



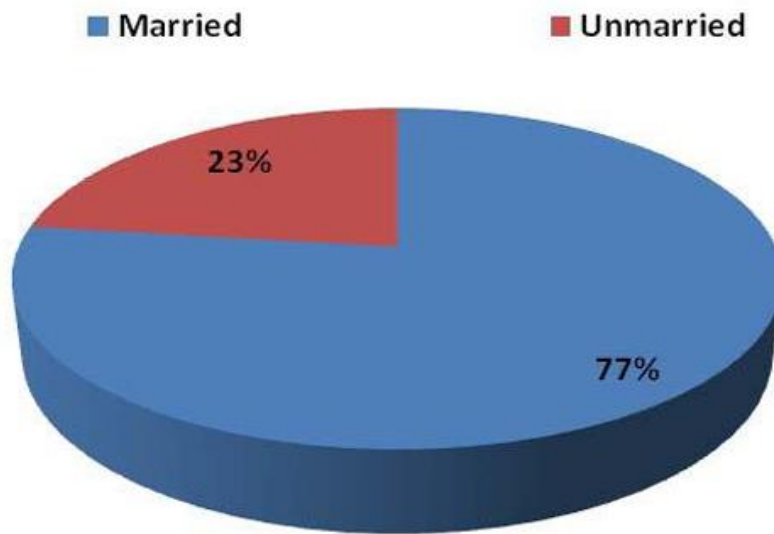
Interpretation

According to the graphs given above out of the total 200 respondents included in the study 68 % were males and 32 % were females, which clearly defines the gender biasness, that the males have more liking towards the LIC policies.

3) Marital Status

Total	Married	Unmarried
200	154	46
Percentage	77	23

Distribution according to Marital Status



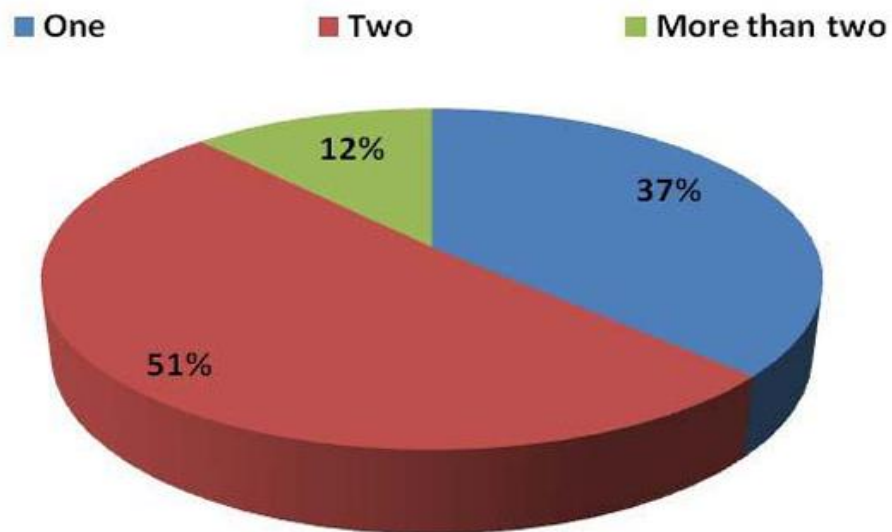
Interpretation

According to the graphs given above out of the total 200 respondents included in the study 77% were married and 23 % were unmarried, hence we can say married persons are more interested in the investment criteria's offered by LIC..

4) Total Number of Policies bought

Total	One	Two	More than Two
200	74	102	24
Percentage	37	51	12

Distribution according to Policy Bought



Interpretation

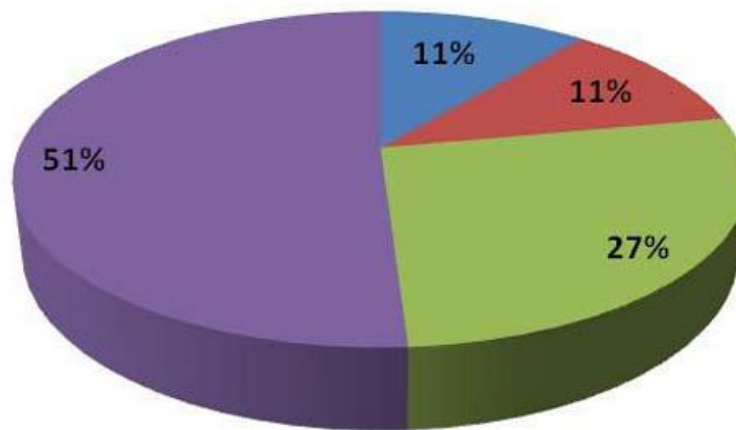
According to the graphs given above out of the total 200 respondents included in the study, 37% were having one policy of LIC, 51% had two policies and 12 % more than two, which clearly defines the faith of the people towards LIC policies.

5) Mode of Payment

Total	Monthly	Quarterly	Half Yearly	Yearly
200	22	22	54	102
Percentage	11	11	27	51

Distribution according to mode of payment

■ Monthly ■ Quarterly ■ Half-yearly ■ Yearly



Interpretation

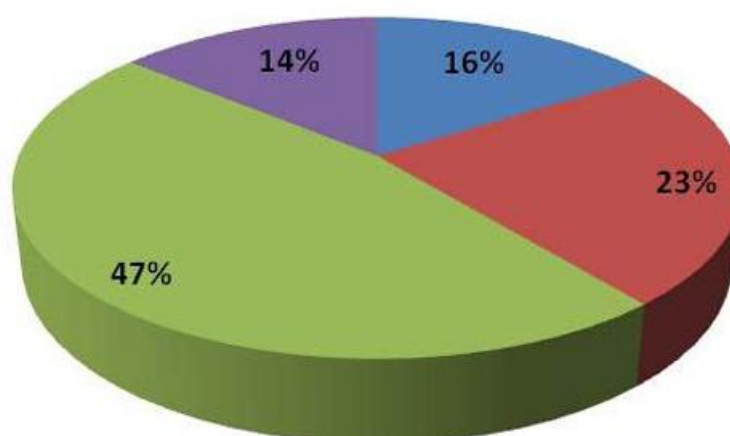
According to the graphs given above out of the total 200 respondents included in the study, 11% have opted for monthly payments, 11% opted for quarterly payment, 27% opted for half-yearly payment and 51% opted for yearly payments of the premium.

6) Educational Qualification

Total	Undergraduate	Graduate	Post Graduate	Doctorate
200	32	46	94	28
Percentage	16	23	47	14

Distribution according to Qualification

■ Undergraduate ■ Graduate ■ Post-Graduate ■ Doctorate



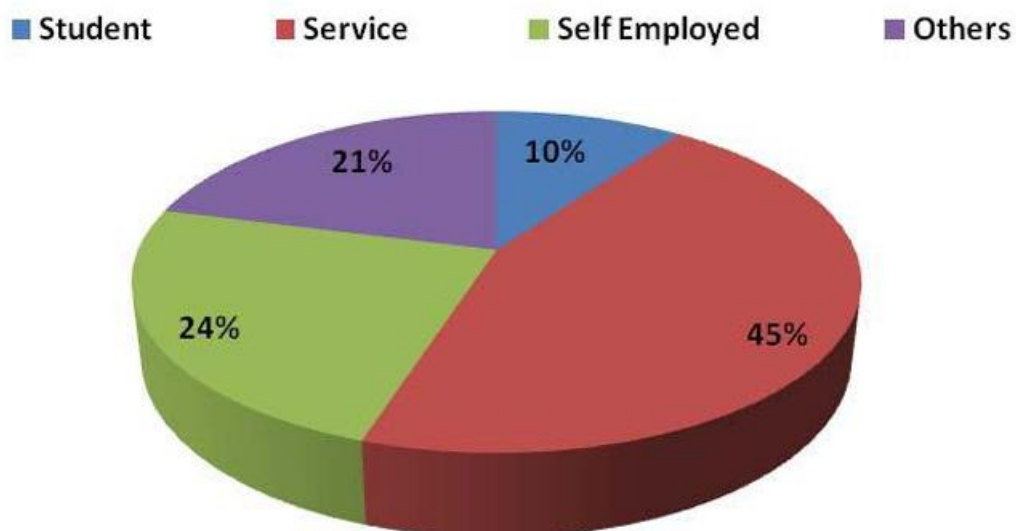
Interpretation

According to the graphs given above out of the total 200 respondents included in the study 16% were undergraduate, 23% were graduate, 47% were post graduate and 14 % were doctorate, which clearly indicates the liking of the educated sectors towards LIC policies.

7) Occupation

Total	Student	Service	Self Employed	Others
200	20	90	48	42
Percentage	10	45	24	21

Distribution according to Occupation



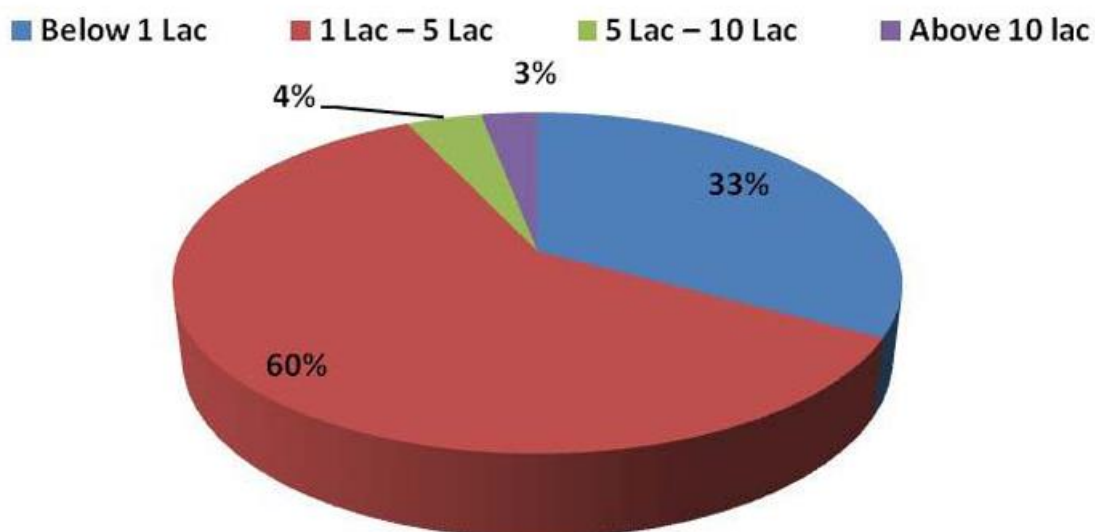
Interpretation

According to the graphs given above out of the total 200 respondents included in the study, 10 % were students, 45% were from service class, 24% were Self-employed and 21 % were from other category, which clearly indicates the liking of the service class people in LIC policies and services.

8) Annual Income

Total	Below 1L	1L – 5L	5L – 10L	Above 10L
200	66	120	8	6
Percentage	33	60	4	3

Distribution according to Income



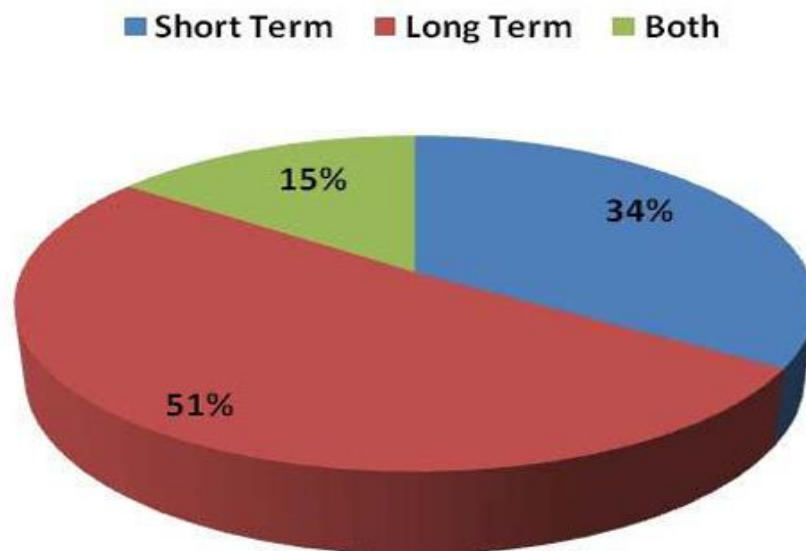
Interpretation

According to the graphs given above out of the total 200 respondents included in the study, 33% were having income below 1 lac, 60% were having income between 1-5 lacs, 4% had income range of 5-10 Lac and 3% were having income above 10 lac, which clearly defines the hold of LIC among the largest segment i.e. average middle class.

9) What kind of investment do you prefer ?

Total	Short Term	Long Term	Both
200	68	102	30
Percentage	34	51	15

Distribution according to kind of investment



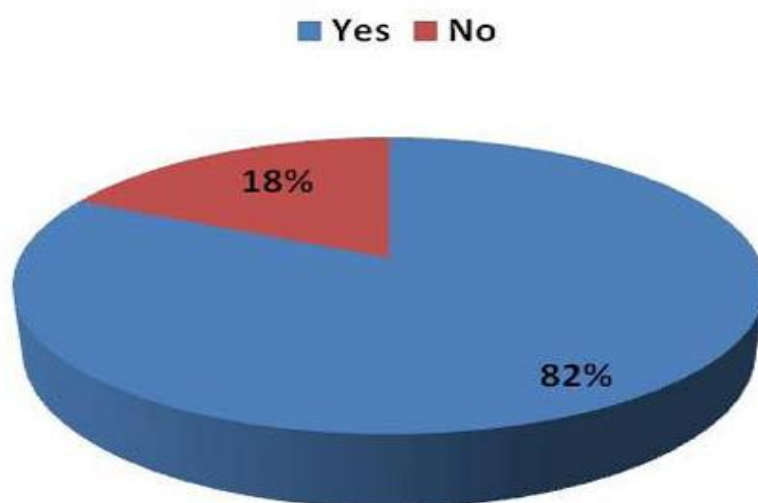
Interpretation

According to the graphs given above out of the total 200 respondents included in the study, 34% liked short term investment, 51% liked long term investment and 15% liked both types, which gives an opportunity for LIC to give due emphasis on short-term investment policies.

10) Are You satisfied with the services of LIC of India ?

Total	Yes	No
200	164	36
Percentage	82	18

Distribution according to satisfaction level towards LIC



Interpretation

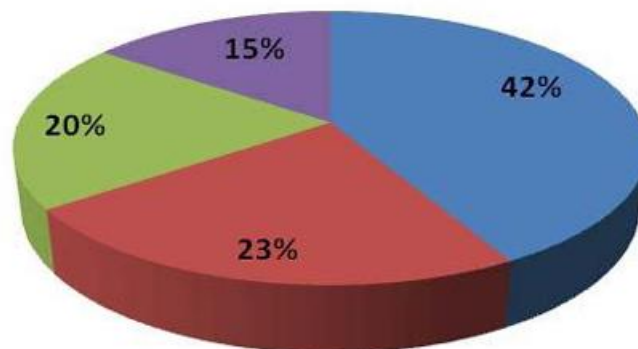
According to the graphs given above out of the total 200 respondents included in the study, 82 % were satisfied by the LIC policies and services rest 18 % were not satisfied.

11) Give Reasons for Insuring with LIC

Total	Brand	Grievances Handling	Undue delay in claims	Public Sector
200	84	46	40	30
Percentage	42	23	20	15

Distribution according to reason for insuring with LIC

■ Brand ■ Grievances Handling ■ Undue Delay in Claims ■ Public Sector



Interpretation

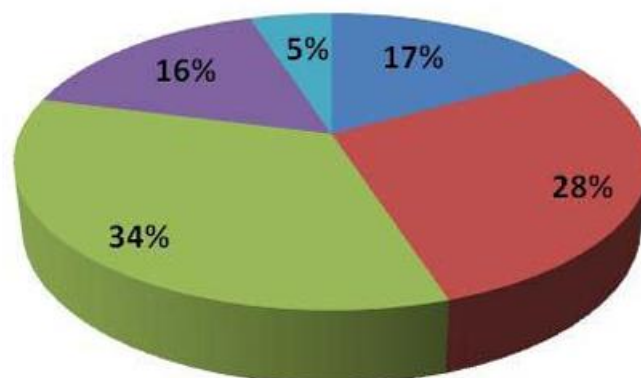
According to the graphs given above out of the total 200 respondents included in the study, 42 % have invested on the brand name, 23 % on its ways to handle grievances, 20 % on the basis of timely claim settlements and rest 15% as LIC is government owned sector so the customers are secure.

12) What scheme of insurance policy have you taken?

Total	Whole life	Endowment Plans	Money back	Pension fund	Others
200	34	56	68	32	10
Percentage	17	28	34	16	5

Distribution according to scheme of LIC policy owned

■ Whole Life ■ Endowment Plus ■ Money Back ■ Pension Fund ■ Others



Interpretation

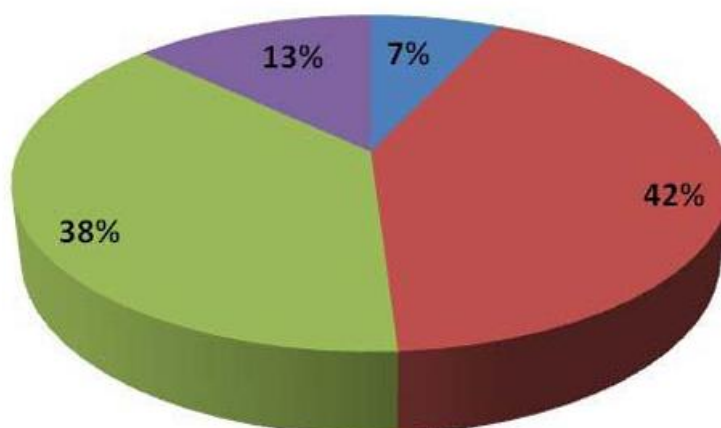
According to the graphs given above out of the total 200 respondents included in the study, 17% have invested in Whole life, 28% in endowment plus 34% in Money back, 16% in Pension fund and rest 5% in other policies. It's an alarming signal for LIC to concentrate on policies and make more lucrative for customers, which comes under other categories.

13) Most likely periodicity of the policy?

Total	5years	5-15 years	15-25years	25years
200	14	84	76	26
Percentage	7	42	38	13

Distribution according to periodicity of policy

■ 5 years ■ 5-15 years ■ 15-25 years ■ 25 years



Interpretation

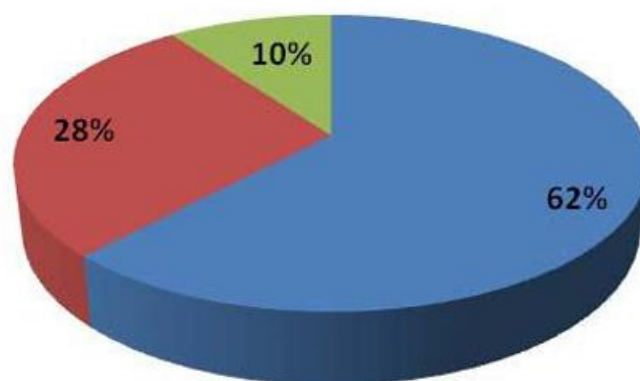
According to the graphs given above out of the total 200 respondents included in the study, 7% like policy of 5 years, 42% liked policies ranging from 5-15 years, 38% liked in the range of 15- 25 years and rest 13% liked policies of 25 years.

14) Satisfaction level towards services offered by LIC

Total	Fully satisfied	Partially satisfied	Not Satisfied
200	124	56	20
Percentage	62	28	10

Distribution according to satisfaction level of services offered by LIC

■ Fully satisfied ■ Partially Satisfied ■ Fully satisfied



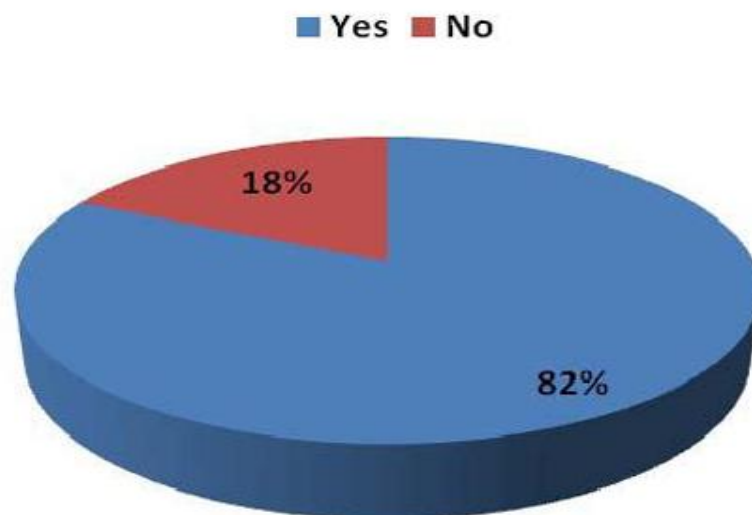
Interpretation

According to the graphs given above out of the total 200 respondents included in the study, 62% were satisfied by the services offered by LIC, 28% were partially satisfied and rest 10% were not satisfied.

15) If you buy a new policy would you like to go for LIC?

Total	Yes	No
200	164	36
Percentage	82	18

Distribution according to again buying of new policy of LIC



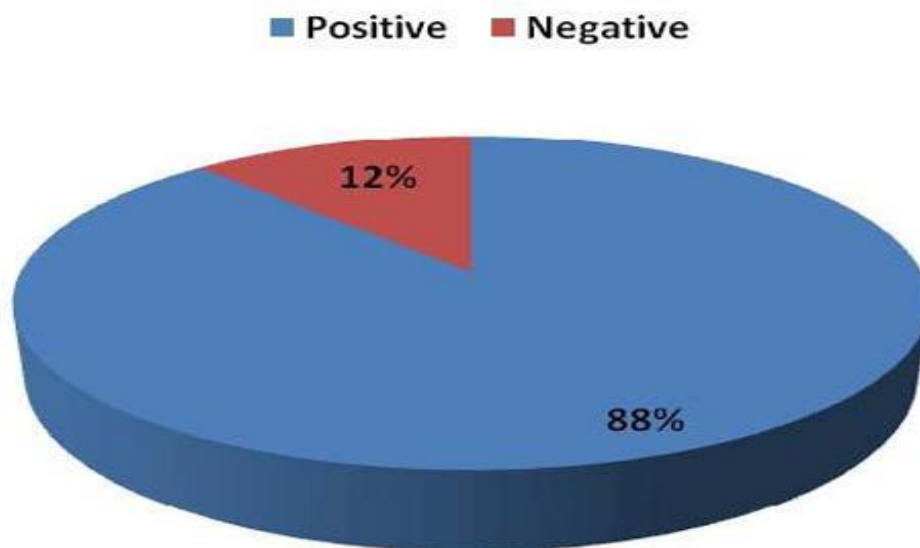
Interpretation

According to the graphs given above out of the total subjects 200 included in the study, 82% said that if they will buy new policy they will definitely go with LIC only 18% said no regarding further investment with LIC.

16) Perception towards LIC?

Total	Positive	Negative
200	176	24
Percentage	88	12

Perception of customers towards LIC



Interpretation

According to the graphs given above out of the total respondents 88% have got positive perception towards LIC whereas 12% have got negative perception towards LIC, which fulfills the motive of our study that customers of LIC have got faith in it and want to stick with it in near future, they feel that their investment is secure and hassle free returns they will get at due time.

CHAPTER – 5

FINDINGS & SUGGESTIONS

5.1 FINDINGS:

The survey findings reveal that bank deposits are the most favored investment option, followed by alternatives like insurance, real estate, gold, and mutual funds. Life protection schemes, emphasizing death benefits, are predominantly preferred by insurance holders. Nearly 50% of respondents typically save less than 15%, and a mix of both long and short-term investments is favored.

Safety is the foremost criterion for investment, followed by return, brand name, tax benefits, liquidity, and capital growth. Company image is highly crucial in choosing a life insurance provider, reflecting the importance of trust and security for invested money, followed by premium, bonus, interest, and services.

Demographically, a majority of investors in insurance are aged 20-40, with males dominating policyholders. Most policyholders are employed individuals. Unit-linked plans are popular due to their potential for high returns. Approximately 80% of policies sold have a periodicity of 5-25 years. The awareness level among customers of LIC is notably higher, and satisfaction levels are comparable across sectors.

LIC maintains a strong customer base, with 88% of respondents expressing a positive perception towards LIC. Despite the growth of private insurance companies, LIC retains its dominance with a 78% market share. While private companies are rapidly expanding, LIC continues to lead in terms of profit earning, new business issuance per branch, and overall customer base.

The findings underscore the significance of safety, trust, and company image in the investment decisions of respondents. Despite the growth of private insurance, LIC's enduring customer base and reputation position it as a formidable player in the insurance sector.

5.2 SUGGESTIONS:

1. To enhance insurance penetration, LIC could tailor products to cater to the needs of rural customers.
2. Consider investing in advertising, conducting road shows, and utilizing hoardings to raise awareness about lesser-known products.
3. Expand bancassurance by forming partnerships with additional banks beyond the existing collaborations.
4. Explore collaborations with local NGOs to promote rural insurance products.
5. Simplify and expedite documentation processes to make them more customer-friendly.
6. Ensure agents promote all products equally to provide comprehensive options to customers.
7. Provide additional funds to development officers and agents to enhance outreach and service.
8. Clearly state and explain all hidden charges in the policy, and offer improved training for agents.
9. Expedite the claim settlement process, minimizing lengthy decision-making procedures.
10. Place special emphasis on individual risk coverage when designing insurance products.
11. Innovate and introduce new products to meet the increasing awareness and demands of customers.
12. Explore the potential of selling insurance products through electronic media channels.

13. Recognize the significant demand for pension products due to the absence of a comprehensive social security system, presenting an opportunity for the life insurance industry.
14. Leverage advancements in more developed markets for technological and financial upgrades, enabling efficient and fast services in the insurance sector.

CHAPTER – 6

CONCLUSION

Insurance functions as a financial tool, pooling resources from a large group to compensate for the losses experienced by a smaller segment. It serves as a protective shield against unforeseen events in the future. Notably, when individuals contemplate life insurance, the company's image emerges as a pivotal factor. This underscores the fundamental desire for a sense of security and reliability for the invested funds, with considerations such as premium payments, bonuses, interest, and services following closely in significance.

In the Indian insurance landscape, LIC maintains a prominent position, signifying its dominance in the industry. In the contemporary business environment, the emphasis on customer satisfaction extends beyond mere growth objectives; it is integral to customer retention. The entry of private sector insurance companies has ushered in transformative changes, and amid stiff competition, LIC's products stand out for their ingenuity, innovation, and resonance with customers. The study reveals a high level of customer satisfaction attributed to factors such as the company's knowledge, accessibility, transparent payment structures, swift claims settlement, and effective grievance redressal mechanisms.

The positive customer perception and unwavering trust in LIC of India reflect a robust and enduring relationship between the company and its clientele. This signifies not only the company's ability to adapt to market dynamics but also the establishment of a strong foundation built on customer-centric values and service excellence.

ANNEXURE - QUESTIONNAIRE

Perspective of Investors on their involvement in life insurance investments:

Name:

Gender: Male/Female

1) Age Group

a) Below 30

b) 31 – 40 years

c) 41 – 50 years

d) 51 – 60 years

e) 60 years and above

2) Marital Status

a) Married

b) Unmarried

Male

3) Total number of policies bought

a) One

b) Two

c) More than two

4) Mode of Payment

- a) Monthly
- b) Quarterly
- c) Half-Yearly
- d) Yearly

5) Educational Qualification

- a) Undergraduate
- b) Graduate
- c) Post Graduate
- d) Doctorate

6) Occupation

- a) Student
- b) Service
- c) Self Employed
- d) Others

7) Annual Income

- a) Below 1 Lac
- b) 1 Lac – 5 Lac
- c) 5 Lac – 10 Lac
- d) Above 10

8) What Kind of Investment do you prefer?

- a) Short Term
- b) Long Term
- c) Both

9) Rank these various investment alternatives according to your preferences

- k) Bonds and Debentures
- l) Equity/Shares
- m) Mutual Fund
- n) Public Provident Fund
- o) Post Office
- p) Insurance
- q) Bank Deposit
- r) Real Estate
- s) Gold & Silver
- t) Others

10) State your expectation on investment alternatives by ticking according to its importance

- a. Expectations on Investment
- b. Highly
- c. Important
- d. Important
- e. Neutral
- f. Not
- g. Important
- h. Safety

- i. Least
- j. Important
- k. Capital Growth
- l. Liquidity
- m. Return
- n. Tax Benefit
- o. Company Profile & Brand Name

11) What parameters you have looked into at the time of buying policy from LIC of India

- a. Parameters considered
- b. Highly
- c. Important
- d. Important
- e. Neutral
- f. Not
- g. Important
- h. Least
- i. Important
- j. Premium
- k. Charges
- l. Policy Term
- m. Rider Benefits
- n. Bonus & Interests
- o. Pre & Post services
- p. Accessibility
- q. Company Image

12) Are you satisfied with the services of LIC of India?

- a) Yes
- b) No

13) Give reasons for insuring with LIC

- a) Company Profile
- b) Brand
- c) Grievances Handling
- d) Undue Delay in Claims
- e) Public Sector
- f) All of the above

14) What scheme of insurance policy have you taken?

- a) Whole Life
- b) Endowment Plus
- c) Money Back
- d) Pension Fund
- e) ULIP
- f) Others

15) Most Likely Periodicity of Policy

- a) 5 years
- b) 5 – 15 Years
- c) 15 – 25 Years
- d) Above 25 Years

16) Satisfaction level towards services offered by LIC

- a) Fully Satisfied

b) Partially Satisfied

c) Not Satisfied

17) If you buy a new policy would you like to go for LIC?

a) Yes

b) No

18) What is Overall perception about LIC of India?

a) Positive

b) Negative

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